

September 16, 2015

A Special Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Thursday, September 16, 2015 at 5:32 p.m., with the following members present:

Brad Lail	Rudy Wright	Hank Guess
Bruce Meisner	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Mick Berry, Assistant City Manager Andrea Surratt, Assistant City Manager Rodney Miller, City Attorney John Crone, Deputy City Attorney Arnita Dula, Deputy City Clerk Sarah Prencipe and City Clerk Debbie D. Miller

Staff present: Assistant to the City Manager Yaidee Fox, Planning Director Brian Frazier

- I. Mayor Wright called the meeting to order. All Council members were present with Alderman Seaver arriving at 5:34 p.m.
- II. Invocation by Alderman Guess
- III. Pledge of Allegiance
- IV. Discussion of Hickory Public Housing Authority

Mayor Wright thanked everyone for being in attendance of the Special Meeting of Hickory City Council. He advised those in attendance that this was not a regular meeting of City Council and there were not provisions for people to speak, unless called upon. He commented that everyone had an opportunity to speak at the regular meeting of City Council last night, and would have an opportunity to speak at Council's next regularly scheduled meeting. The purpose of this meeting was to discuss some issues that had been widely publicized the last few days concerning Hickory Housing Authority. He commented that there were two aspects of this issue: an allegation, perhaps criminal sexual activity. That is not a subject that Council can deal with, that is between the alleged victim(s), the alleged perpetrator, and the Police. At this point it doesn't involve Hickory City Council. If there was something involved in that, which was a violation of HUD policy or Hickory Housing Authority policy, they would have to deal with that in their way. The second aspect of this had to do with some allegations concerning expenditures that the Housing Authority Board had characterized as personnel matters. Council respected that characterization and were not going to violate that characterization by bringing those matters into public at this time. He emphasized that Council's role in the past had been appointment of Hickory Housing Authority Board. He stated that he understood that having the right to appoint, they have the right to remove members. He was not aware that Council had ever removed a member, however they had not reappointed some. He stated that he felt that Council would agree with him, that there are some of the leading citizens of Hickory on that Housing Authority Board. Council needs to give the Housing Authority Board a lot of room to do what they are charged to do. He is convinced that their interest in serving on that board is the quality of life and the improvement thereof of the neediest of the people in Hickory.

Mayor Wright advised that a few years ago Council became aware of two matters that were subject to review by HUD, for which HUD took what they considered to be remedial action. Mayor Wright felt that they took an inappropriate action, to require that money be sent to Washington, but that was not his call. He stated that he was speaking personally, because he couldn't speak for all of the Council members. All of the Council members are elected because they have their own opinions. He encouraged Council at any time to speak-up in anyway. He conveyed the process that Council went through at that time. He stated that there were two elements of the investigation by HUD and the remedial action requested. There was a minor amount of payments, to the Executive Director's estranged husband for services performed for the Housing Authority. That was an expenditure that shouldn't have been made. It was Mayor Wright's understanding that the Housing Authority Executive Director said it was a mistake. That was a small amount, under \$10,000. The other amount was a much larger amount, \$520,000 involving payments to the brother of one of the board members. Like all the other board members, that board member was an appointee of City Council. Council was able to determine by talking with people at the Housing Authority, and the Housing Authority's Counsel, what had transpired. This board members brother was the low bidder on a contract to provide repair and capital improvement projects over a period of time for the Housing Authority. There is a lot of windows and doors to be replaced and fixed. At all times the member of the Housing Authority, who had the brother doing the work, recused himself from voting. The Mayor understood how that could be viewed as a proper remedy for the relationship. It turned out that was not a proper remedy, but he could see how it could be construed that way. The Mayor, speaking for himself, commented that they know what happened, it was not a matter of personal gain as best as they can tell for that board member, it wasn't a matter of personal gain for any other board member. It wasn't a matter of personal gain for the Executive Director. It just did not seem that any draconian severe measures were called for except for HUD's call for sending the money back. He commented that HUD said they misspent it because it was a violation of policy. So they had to pay HUD the amount that was misspent, so they paid double. Mayor Wright spoke with one of the other bidders. He asked how the process went and was told that they were given a chance to bid. They submitted their bids, and didn't understand how the bid was that low. The Housing Authority acted in good faith granting the bid/the work. Violation of HUD policy, but they acted in good faith. The Mayor's personal opinion, since in other respects things seem to be going well at

the Housing Authority, and enough attention had been paid to them. That was his answer from his standpoint on that old issue.

Mayor Wright advised that he received a call and spent 56 minutes on the phone with a reporter from the Charlotte paper about some things that he had no idea, or that were even out there in some form, signed by a group of people who had requested anonymity. Most of us would put stuff like that in the trashcan. If they request anonymity. But when you are dealing with the public interest and the public money, and the media, it is not as simple as that. He advised that he was not saying that it was garbage. He commented that he was saying that normally if they didn't sign it then he was not going to pay any attention to it, he doesn't have time to deal with that. Mayor Wright felt that he had to deal with it. The reporter asked the Mayor what he was going to do, and Mayor Wright advised that Council would have a meeting, at the earliest possible date, and they would talk about it. Mayor Wright advised that he wanted to discuss what Council had done in the past and what Council wants to do in the future. Either the same thing that they have done in the past, or less than they have done in the past, or more than they have done in the past. Mayor Wright had no idea what direction this meeting would go in. He wanted to discuss the future oversight by Hickory City Council and public housing in Hickory.

City Attorney John Crone advised that the Mayor and Council had been provided with a document that he and Deputy City Attorney Arnita Dula had prepared which detailed the history of the relationship between Hickory City Council and the Public Housing Authority, and what the roles are as to those two entities as set out in North Carolina General Statute Chapter 157. He provided Council with an overview of information. He advised that in 1966, 27 or so individuals petitioned the City of Hickory, as is by law allowed, to establish a Housing Authority to take on the task of doing what it is doing at this time. The law book at that time stated not less than five or more than nine people could be appointed to that commission. City Council appointed five individuals to serve as commissioners for the Public Housing Authority in 1966. In 1984, the City Council at that time increased the number of commissioners from five to seven, one of which would be a tenant resident of the housing projects. The law has changed since then and now states that you can have no less than five, nor more than 11 board members on the Hickory Housing Authority. The Public Housing Authority, Hickory City per se politic, and Hickory City Council are two total and distinct entities. The role of the City of Hickory, and the role of City Council is set out in North Carolina General Statute 157. The Mayor appoints board members for the Public Housing Authority, per the law. Those terms are for a period of five years and a commissioner can be reappointed, and has been reappointed in the past. No Council member nor the Mayor of this body can serve on that board. The only way that the City Council has the authority, by itself, to remove a commissioner under the statute is for inefficiency, or neglect of duty, or misconduct in office. That is after that commissioner or board member has the right to due process, and a right of notice and a hearing. The City of Hickory does not fund the Authority. No City funds directly go to the Public Housing Authority. Currently we have seven board members. Council could appoint additional board members if they so desire. That would be by Resolution or Ordinance at some future meeting. He reiterated the relationship between the entities are Council through the Mayor making appointments to the board. There is statutory law that states that Council has the discretion to abolish the existing Public Housing Authority by Resolution and transfer its authority and responsibilities, obligations, personnel, property both real and personal to the City. Or Council could abolish the existing Housing Authority and can currently designate an existing redevelopment commission to exercise the power, duties, and responsibilities of a Housing Authority. As it stands now the Housing Authority is autonomous, again the Mayor makes the appointments. Those appointments are handled in the same manner as any appointments. Recommendations are made. Mr. Crone felt that the Mayor had been diligent in the past making his appointments. He advised that was a brief overview of what Council's relationship was with the Housing Authority. He advised he would answer any questions that Council may have.

Mayor Wright stated that at the present time, by appointment last night of Velecia Hackett as the tenant representative, there are full complement of board members at seven. But there is no prohibitions on appointing additional board members at any time if they see fit.

Mr. Crone replied yes sir.

Mayor Wright commented that it is a matter of what seems to work well. This is not an attempt to respond to a newspaper article. He pointed out that very seldom are there lots of volunteers to the board to the Public Housing Authority. He felt that the City was very fortunate. He had always kept in mind that he does not want the appearance of an agenda. Just like we like good thinking Council members that will say their mind and vote how they feel and live with the consequences. That is what we want. We don't want people going in and saying I have got an agenda and I am either going to get my way or I am going to make them miserable. We have got to have people to say that we are working strictly for the interest of the neediest people in Hickory. We very rarely have volunteers. It is usually a recruitment process of some kind. When we have people like we have on that Housing Authority board, we are very fortunate that we have had people step up to take that responsibility to get paid absolutely nothing. He asked Council if they had questions or additional input about the way things had been done. He asked if Council had any input about the way things are done in the future.

Alderman Guess questioned if there was an active investigation going on into the allegations at this time. And if so, the answer to that is yes. He felt that it was pertinent for Council to wait until that investigation is concluded before they make any type of determination of what they are going to do in the future.

Mayor Wright advised based on his knowledge that the Housing Authority Board is aware of the allegations. They will decide the extent to which they have dealt with those in the past or will deal with those in the future. Mayor Wright didn't feel that Council could or should direct them to do anything.

Alderman Guess stated that his only concern was that if there is criminal activity involved then there ought to be an investigation by the appropriate agency, if there is allegations of criminal activity.

Alderwoman Patton requested that be reported back to Council so they would know what they are faced with.

Mayor Wright asked come back and report that there is no criminal activity.

Alderman Guess commented whether there is or there isn't. He stated that he was not saying that there is criminal activity but if there are allegations of criminal activity that is the crooks of the matter.

Mayor Wright clarified that this was his understanding. Council has been bombarded with documentation of things. He stated that he was not an Attorney or a Police Officer. He thought that there are alleged acts, by an alleged perpetrator, against some alleged victims. If someone thinks that the law has been broken with respect to that one part of these issues then they need to talk to the Police. He commented that he was not going to call the Police in, he doesn't have the authority or the right to do that. He doesn't want people to say that there are other allegations of criminal activity. The documentation that he had read, not being a Lawyer, not being a Police Officer, just being a regular citizen like everybody here, he didn't see anything that he would say was criminal activity. He commented that the Housing Authority Board would have to respond to the same entities media, etc., that Council does. He did not believe that Council had the ability to say, based on their oversight, that they want them to conduct a criminal investigation or report back to Council.

Alderman Meisner commented nor does Council have any verification that any of that information is actually a fact.

Mayor Wright commented they are allegations. He referenced documentation that Council had received, a one page memo, a ten page memo, and the 100 plus pages, which had been very helpful. There is a one page memo, sent by a Lawyer out of Greensboro, which had some very serious allegations in it. He stated that he didn't want anybody to think that Council didn't think that they were very serious allegations. If one of the alleged victims says I think I need to take it to the police; that is what they need to do. The other items are allegations. He doesn't want anybody thinking that Council said that there might be some illegal activity that this board should be following up with respect to those other allegations.

Alderwoman Patton commented that the other allegations, and the 174 pages of information that they received is up to the Housing Authority to take to their board to discuss.

Alderman Meisner agreed with Alderwoman Patton. He agreed with the Mayor's accolades about the board and he whole-heartedly agreed about the competency of that board and the competency of their Attorney to handle all of these allegations.

Mayor Wright commented without forgetting our oversight responsibility. That is getting back to the future oversight a little bit. What are we going to do in the future?

Alderwoman Patton commented if that board determines there is something, they will act as they should as responsible board members, and then from that City Council can determine what they feel like their future appointments or the size of that board needs to be.

Alderman Guess questioned Council's obligation as far as the allegations were concerned. He asked if Council had any obligation.

Mr. Crone advised that the only obligation would be for the Hickory Police Department to respond if there is a victim or compliant. As far as City Council is concerned, they did not have an obligation to conduct, at this point in time, it would be premature.

Alderman Lail commented that he did not feel that Council had the authority. If the Hickory Housing Authority is indeed a body corporate and politic, which is a legal term that says they are like a corporation, Council cannot compel them to do anything. It is not in Council's best interest that they do.

Alderman Guess responded that he was not suggesting that. He just wanted to find out legally.

Mr. Crone advised that Alderman Lail brought up a good point. That is they are two separate entities here, City Council and the Housing Authority. The Housing Authority is autonomous, they have their own board, charter, and by-laws. City Council has no input into what they do or how they conduct their business except to the extent that they make appointments or at some time if Council wants to discuss going in a different direction with the Housing Authority in and of itself. But the way that it stands now, Alderman Lail is very correct, they are a body of politic in and of themselves, and no member of City Council can serve on their board. That is the way the legislature set it up. That is the way the law has it.

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Alderman Meisner commented way back when he first got on Council they use to rotate a Council member at every Housing Authority meeting. Of course, non-voting, just like the public. They would report back to Council happenings of what went on.

Alderman Guess stated that he understood that they couldn't attend closed meetings.

Alderman Meisner replied absolutely not.

Mayor Wright moved to have someone attend the open public meetings of Hickory Housing Authority and report back to City Council on the activities.

Alderman Meisner commented or we rotate it.

Mayor Wright commented that he didn't know if you would get the same benefit of rotating it.

Alderman Guess commented you might get a better benefit, you get different perspectives. It depends on how you look at it.

Alderwoman Patton commented as long as everything is reported back so there is a consistency of information flow.

Mr. Crone asked Mayor Wright if his motion was to appoint a particular person or if it was to appoint someone to rotate.

Mayor Wright stated his motion was to appoint a particular person. He requested a second and asked for discussion.

Alderman Guess asked if that would violate any kind of statute.

Mr. Crone replied no.

Mayor Wright stated that is Robert's Rules of Order.

Alderman Guess clarified for Council to attend the meetings.

Mr. Crone advised that any person can attend meetings.

Alderwoman Patton seconded the motion.

Alderman Guess questioned if they could request copies of the minutes from the meetings.

Mr. Crone requested that Council handle the motion.

Mayor Wright announced motion by Wright, seconded by Alderwoman Patton. Mayor Wright requested Council have a discussion.

Alderman Lail suggested to Council that any interested Council members, as well as interested public, can always attend the meetings. If an interested Council person would attend a meeting and would like to report at Council's regular scheduled meeting as a matter not on the agenda, he was sure that Council members would all receive it gratefully. He would not want to set up the implication that the City of Hickory, as governed by the Hickory City Council, has any kind of oversight over the Public Housing Authority. So sending a member there might be helpful to understand what is going on as it relates to the volume of resident applications, what the plans are as it relates to the City's land use planning, but it would not in no way shape or form be understood as any kind of oversight.

Alderman Meisner commented that Alderman Lail brought up a good point because sometimes a Council person can attend a board or commission meeting, and just the fact that their presence there has an implication of authority. He did not want that.

Alderman Guess didn't feel that Council should dictate that they were going to attend their meeting. If they want to attend, they can attend. He didn't feel that they needed to mandate or that they needed to dictate that they were going to attend every meeting on a rotation schedule. He would rather have it, if one Council members wants to go at any given time then they go. Have it like that rather than mandated or dictated.

Alderwoman Patton didn't think Council could mandate that because of every body's schedules. She felt it would be advantageous to occasionally have Council members there and report back, just give an update.

Alderman Guess commented that it is no different than they do with the other boards and commissions,

Alderman Lail advised that it is different in the sense that it is not the City's board or commission.

Alderwoman Patton stated it is not ours; that is the difference.

Mayor Wright agreed that is different. It is also different in the sense that the future of public housing in this country will impact all of us in various ways very greatly. He commented that

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there is no exactly right answer to this. Mayor Wright advised Council if they were through with the discussion he was going to call the question.

Council was through with the discussion.

Mayor Wright advised he wanted to withdraw his motion.

Alderwoman Patton withdrew the second.

Mayor Wright questioned if Council had violated Robert's Rules of Order.

Mr. Crone advised Council that they should call the question and vote it down if that is what they were going to do.

Mayor Wright stated that his motion was that a designated person from Hickory City Council attend the meetings of the Hickory Housing Authority, that are open public meetings, and somebody is assigned that specific responsibility. Ayes: Mayor Wright; Nays: Alderman Lail, Alderman Meisner, Alderman Seaver, Alderman Guess, Alderman Zagaroli, and Alderwoman Patton. The motion was defeated 6 to 1.

Mayor Wright advised that he would probably attend the meetings anyway.

Alderman Guess asked if no more than three Council members could attend one meeting.

Mr. Crone advised that is correct.

Mayor Wright questioned even if they were not discussing any City business.

Mr. Crone advised that he would avoid doing that.

Alderman Guess asked if more than three Council members showed up then one of them needed to leave.

Mr. Crone advised that was his "from the hip" answer. He would look into that further. He used for an example if Council was attending a party, and four of them were there, would one of them have to leave? No. Until further notice his recommendation would be not more than three Council members attend the meeting. He might change his mind on that.

Mayor Wright commented that presently Council has seven board members. He asked Council if they had an opinion on whether they go more. He didn't feel that they should go less in his opinion, but he was open for that discussion. He commented should they go more, stay the same, or wait, or is Council not in a position to define a need to do that now.

Alderman Guess felt that the timing was not right for that. He suggested that they find out what is going on with this current situation before Council determines if they need more or less members.

Alderwoman Patton stated and then look at Council's options going forward.

Mayor Wright asked if there was any other business to come before Council. There was none.

V. There being no further business, the meeting adjourned at 6:08 p.m.

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Mayor

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City Clerk